



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Adopt resolution authorizing the continuation of expenditures from July 1 to 31, 2004, or until adoption of the 2004-05 Financial Plan and Budget

MEETING DATE: June 16, 2004

PREPARED BY: Finance Director

RECOMMENDED ACTION: That the City Council approve the attached Resolution giving the City Manager "continuing resolution authority" to pay both the bills and payrolls of the City through July 31, 2004 or until adoption of a 2004-05 Budget, whichever come first.

BACKGROUND INFORMATION: At this time, it appears that the City Council may not be able to complete budget deliberations and adopt an operating budget for Fiscal Year 2004-05 prior to July 1, 2004. Accordingly, the City Manager will be required to terminate City services and furlough City employees until such time as a budget is approved by the City Council unless otherwise directed and authorized by the City Council under continuing resolution authority.

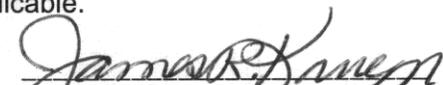
Continuing resolution authority is authority to continue services and to pay bills and payrolls at a level consistent with the prior year budget. As such, adoption of the continuing resolution authority will allow the City Manager to conduct City business at currently approved levels and to purchase supplies, materials and services consistent with service levels, salaries and operating costs consistent with Fiscal Year 2003-04. As such the continuing resolution authority does not authorize the City Manager to make any of the following changes in services.

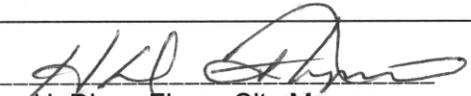
- o Begin new services or change service levels except those explicitly authorized by the City Council after July 1, 2004.
- o Increase or change employee compensation, except by agreement approved prior to July 1, 2004, or explicitly authorized by the City Council after July 1, 2004.
- o Hire new employees or reclassify employees after July 1, 2004 except when explicitly authorized by the City Council.
- o Establish new contracts or agreements after July 1, 2004 regardless of amount except those contracts and agreements explicitly authorized by the City Council.

FISCAL IMPACT

Will limit expenditures paid by warrant or wire transfer by fund to a level not greater than authorized in 2003-04 Budget.

FUNDING: Not applicable.


James R. Krueger, Finance Director

APPROVED: 
H. Dixon Flynn, City Manager

RESOLUTION NO. 2004-125

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE
CITY MANAGER CONTINUING RESOLUTION AUTHORITY TO PAY THE
BILLS AND PAYROLL OF THE CITY OF LODI THROUGH JULY 31, 2004,
OR AT ADOPTION OF THE 2004-05 BUDGET,
WHICHEVER COMES FIRST

WHEREAS, the City Council may not adopt a budget by July 1, 2004, to allow the City Manager to provide City services during fiscal year 2004-05; and

WHEREAS, to provide services the City Manager must issue checks for payrolls, supplies, materials, contracts, leases, debt payments, and agreements existing prior to July 1, 2004; and

WHEREAS, these services are essential to the protection of life, property, public health, good order, and reputation of the City of Lodi; and

WHEREAS, the City Council finds these services should be continued at levels not greater than approved in the 2003-04 Budget; and

WHEREAS, this authority does not authorize new services to begin or change service levels, increase employee compensation, except under agreement approved prior to July 1, 2004, hire or reclassify employees after July 1, 2004, and/or establish new agreements or contracts, except those explicitly approved by the City Council.

NOW, THEREFORE, BE IT RESOLVED by the Lodi City Council that the City Manager is hereby authorized to continue services and issue checks under continuing resolution authority to pay for employee salaries and benefits, supplies, materials, contract services, leases, debt obligations, and other existing agreements approved by the City Council prior to July 1, 2004, not to exceed the 2003-04 budget levels.

Dated: June 16, 2004

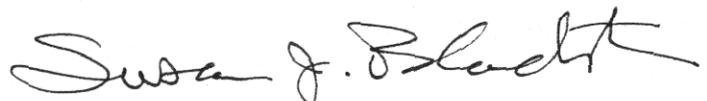
I hereby certify that Resolution No. 2004-125 was passed and adopted by the Lodi City Council in a regular meeting held June 16, 2004, by the following vote:

AYES: COUNCIL MEMBERS – Beckman, Hitchcock, Howard, and Land

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – Mayor Hansen

ABSTAIN: COUNCIL MEMBERS – None



SUSAN J. BLACKSTON
City Clerk